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Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 EB-07 INR-07 LAB-04
NSAE-00 PA-01 SIL-01 USIA-06 PRS-01 SS-15 NSC-05 SP-02
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FM AMEMBASSY DAMASCUS
TO SECSTATE WASHDC 1332
INFO AMEMBASSY ATHENS
USDOC WASHDC

C O N F I D E N T I A L DAMASCUS 0317

ATHENS FOR RTDO

USDOC FOR CAGNE

E.O. 11652: GDS
TAGS: BEXP, SY
SUBJECT: U.S. PARTICIPATION IN THE DAMASCUS INTERNATIONAL FAIR

1. SUMMARY: IT IS IMPORTANT TO U.S. INTERESTS IN SYRIA THAT WE MAKE EVERY EFFORT TO PARTICIPATE IN FY 1977 DAMASCUS INTERNATIONAL FAIR. COSTS HAVE RISEN, HOWEVER, AND A SELF-FINANCED FAIR IS UNREALISTIC. WE WILL NEED START-UP FUND OF ABOUT $40,000 SOME OF WHICH MAY BE REIMBURSED WHEN PARTICIPANTS' CONTRIBUTIONS ARE RECEIVED. END SUMMARY.

2. IN THIS CAPITAL THE DAMASCUS INTERNATIONAL FAIR IS THE MOST IMPORTANT PUBLIC DEMONSTRATION OF THE BILATERAL RELATIONS SYRIA MAINTAINS. PRESIDENT ASAD MADE THIS POINT VERY CLEAR TO TOM SCOTES WHEN WE FIRST REOPENED HERE. IT IS NO EXAGGERATION TO SAY THAT OUR PARTICIPATION IN THE 1974 FAIR ON SUCH SHORT NOTICE HAD A GREAT DEAL TO DO WITH CREATING A FAVORABLE ATMOSPHERE IN WHICH TO DEVELOP OUR RELATIONS WITH SYRIA. SINCE THEN WE HAVE PRESENTED SUCCESSFUL
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PAVILIONS IN THE 1975 AND 1976 FAIRS. THE SYRIAN GOVERNMENT HAS WELCOMED OUR PARTICIPATION AND TO ENCOURAGE US HAS MADE AVAILABLE FOR US FACILITIES (CERTAIN TECHNICAL EXCEPTIONS ON IMPORT PERMITS) NOT AVAILABLE TO OTHER PARTICIPATING STATES.

3. TO DROP OUT NOW, GIVING THE WAN EXPLANATION THAT

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OUR DEPARTMENT OF COMMERCE DOES NOT REGARD SUCH FAIRS AS COMMERCIALLY WORTH THE EXPENSE, WILL HAVE NEGATIVE REPERCUSSIONS. USDOC HAS INFORMED US IT WILL NO LONGER FUND COMMERCIAL PRESENCE FAIRS (CPF) BUT IS WILLING TO PROVIDE US WITH THE TECHNICAL ASSISTANCE OF TWO FAIR MANAGERS AND, OF COURSE, TO RECRUIT PARTICIPATION BY U.S. COMPANIES. COMMERCE HAS SUGGESTED THAT WE FINANCE THE U.S. PAVILION BY RAISING OUR FEES TO THE PARTICIPATING COMPANIES AND HAS RECOGNIZED THAT THE EMBASSY WOULD NEED START-UP FUNDS WHICH WOULD BE REIMBURSED AS PARTICIPATING CONTRIBUTIONS COME IN. UNFORTUNATELY, OUR REVIEW OF THE FIGURES MAKES US PESSIMISTIC THAT WE COULD CARRY OFF A TOTALLY SELF-FINANCED PARTICIPATION. IN 1976 TOTAL EXPENSES FOR U.S. PARTICIPATION IN THE FAIR WERE $100,000. $33,000 WAS PROVIDED BY USDOC (OF WHICH $3,000 IS BEING HELD BACK PENDING SETTLEMENT OF A DISPUTE WITH THE CONTRACTOR). THE BALANCE OF $67,000 WAS PROVIDED BY THE PARTICIPANTS. ANOTHER YEAR HAS PASSED AND A LOT OF COSTS HAVE GONE UP. LAND RENTAL HAS GONE FROM $3.85 TO $6.40 PER SQUARE METER FOR OUTSIDE SPACE AND $8.98 TO $12.82 PER SQUARE METER FOR ENCLOSED SPACE. OUR 1976 COSTS BROKE DOWN AS $16,000 FOR LAND AND $81,000 FOR OTHER EXPENSES. IN 1977, TO PUT ON ROUGHLY THE SAME SORT OF EXHIBITION, LAND WILL COST APPROXIMATELY $24,000 (WHICH MUST BE PAID IN ADVANCE) AND ALTHOUGH WE DO NOT HAVE FIRM FIGURES FOR OTHER COSTS, WE DO NOT BELIEVE THE INCREASE COULD EXCEED 40 PERCENT (I.E., $113,000). TOTAL FAIR COST SHOULD NOT EXCEED $140,000
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PLUS THE COST OF A DISPLAY SYSTEM, WHICH WE CANNOT YET ESTIMATE. LAST YEAR THERE WAS A DISPLAY SYSTEM AVAILABLE FOR TRANSPORTATION COSTS ONLY THAT WILL NO LONGER BE AVAILABLE (IT IS MAKING ITS LAST APPEARANCE IN THE CAIRO FAIR AND WILL THEN BE RETIRED). IF WE CHARGE OUR PARTICIPANTS AT THE SAME RATE AS THE CAIRO FAIR CHARGES, THE MAXIMUM POSSIBLE RETURN IS $130,000, LEAVING US AT LEAST $10,000 SHORT. WE WILL HAVE BETTER ESTIMATES WITHIN A WEEK OR TWO, BUT I BELIEVE IT IS TOTALLY UNREALISTIC TO PLAN ON A SELF-FINANCED FAIR.

4. A SELF-FINANCED PARTICIPATION WOULD REQUIRE FIRST OF ALL A MUCH LARGER PARTICIPATION. THE EXPERIENCE OF THE CAIRO FAIR LEADS US TO BELIEVE THAT MORE PARTICIPANTS COULD BE FOUND, BUT IT WOULD RE A RISKY UNDER-TAKING. AVAIABLE SPACE IS VERY LIMITED AT THE FAIR AND WE WOULD HAVE TO MAKE A COMMITMENT TO THE FAIR AUTHORITIES (ALONG WITH THE NECESSARY PAYMENTS) IN EARLY FEBRUARY. IN SHORT, TO SPONSOR AN AMERICAN

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PAVILION, WE WOULD NEED TO BE IN A POSITION TO DISBURSE UP TO $40,000 IN ADVANCE OF THE FAIR AND COULD NOT REASONABLY PROMISE TO RETURN TO THE DEPARTMENT (OR ANY OTHER DONOR) MORE THAN HALF OF THIS MONEY WHEN ALL OF THE PARTICIPANTS' CONTRIBUTIONS ARE IN. MY ECONOMIC/COMMERCIAL STAFF IS LOOKING INTO NOVEL ARRANGEMENTS, E.G., USE OF A PRE-SOLD, PREFABRICATED BUILDING OR SPECIAL ARRANGEMENTS WITH LARGE AMERICAN FIRMS THAT PARTICIPATED PRIVATELY LAST YEAR, TO REDUCE THE TOTAL NEED FOR FUNDING, BUT I DO NOT BELIEVE WE COULD GET GOING WITH LESS THAN $40,000 START-UP FUNDS UNDER ANY CIRCUMSTANCES.
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